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ARTICLES:

(1) DPJ proposal countering new antiterror legislation positive toward resumption of refueling operations

YOMIURI Online (Full)
11:49, November 6, 2007

The Democratic Party of Japan (DPJ or Minshuto) has today outlined a set of proposals for humanitarian and reconstruction assistance activities in Afghanistan and rooting out international terrorism (tentative name) as a proposal countering the new antiterror special measures bill aimed at resuming refueling operations by the Maritime Self-Defense Force (MSDF) in the Indian Ocean.

A major feature of the counterproposal is that it indicates a flexible stance toward a resumption of refueling operations, noting that in the event in which the United Nations (UN) adopts a new resolution directly approving the maritime interdiction operations in the Indian Ocean taken part by various countries, Japan would

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look into the possibility of participating in them. The DPJ's counterproposal also notes that SDF troops can be dispatched only when they engage in humanitarian and reconstruction assistance and the consolidation of social infrastructure in Afghanistan. The proposal also mentions that SDF troops will neither take part in the International Security Assistance Force (ISAF) deployed in Afghanistan nor engage in logistical support for it, citing that SDF troops should not take part in combat operations.

In the meantime, the counterproposal notes, based on President Ozawa's position that Japan will take part in activities limited to assistance for basic human needs, such as ISAF-related Provisional Reconstruction Team (PRT).

To be precise, civilians, such as police officers and medical doctors, as well as SDF personnel would be dispatched. The proposal says that in case a troop-level battle breaks out or will likely occur in an area where Japanese personnel are engaging in operations, all SDF personnel and civilians are to pull out immediately. The proposal also notes that a basic plan to implement operations requires prior approval by the Diet and that the duration of humanitarian and assistance activities should be limited to one year in principle.

The outline of the DPJ counterproposal was presented at a meeting of the party foreign and defense affairs division held today. However, since some participants voiced a cautious view toward the proposal written into a bill, the party decided to continue in-house discussion.

The DPJ has so far opposed the refueling operations by the MSDF as violating the Constitution, because the operations are not based on a UN resolution.

(2) Number of cabinet ministers express expectations of policy talks with DPJ

NIKKEI Online (Full)
12:20, November 6, 2007

Following party head talks between Prime Minister Yasuo Fukuda and

Democratic Party of Japan (DPJ or Minshuto) President Ichiro Ozawa, a number of cabinet ministers during a press conference after a cabinet meeting today expressed their expectations that policy talks with the DPJ would continue. Land, Infrastructure and Transport Minister Tetsuzo Fuyushiba indicated understanding of sounding out the DPJ about the possibility of forming a grand coalition, noting, "If laws and budgets do not obtain Diet approval, it would affect people's lives. Forming a grand coalition is one way of normalizing the situation." MEXT Minister Kisaburo Tokai said, "We should avoid a situation in which things remain stalemated with the ruling and opposition camps at odds over security and social security issues. It is time for us to behave as adults."

Justice Minister Kunio Hatoyama expressed his intention to closely watch Ozawa's movements, noting, "I hold out hope for extra innings. The outcome could be a medium or small coalition. You never know. But there are expectations." Minister of Economy, Trade and Industry Akira Amari indicated his view that it would be desirable to form a major coalition after the next Lower House election, noting, "If the DPJ dominance continues after the next Lower House election as well, the public would accept the forming of a grand coalition in order to

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settle key pending issues."

(3) Fukuda, Ozawa interpret one-on-one meeting to their own advantage on three issues: grand coalition, new antiterrorism legislation and permanent law; Closed-door meeting attributable to political turbulence

TOKYO SHIMBUN (Page 2) (Full)
November 6, 2007

Prime Minister Yasuo Fukuda and Democratic Party of Japan (DPJ or Minshuto) Ichiro Ozawa have began revealing gradually what they had talked about in their second meeting on Nov. 2, in which the two party leaders also discussed the idea of forming a grand coalition between the ruling Liberal Democratic Party (LDP) and the DPJ. However, there are discrepancies in their explanations of three issues. They might interpret the contents of the meeting to their own advantage. The newspaper's news gathering team proved into what they discussed in their two-hour closed-door meeting based on their explanations.

Grand coalition concept

Ozawa first revealed what he and the prime minister discussed in their meeting. In a press conference on Nov. 4, in which he announced his intention to step down as president of the largest opposition party, clarified what they talked about in the second closed-door meeting.

Fukuda had kept silent but at last he spoke up on Nov. 5, driven by necessity to respond. They gave different explanations on three key issues.

The first question is which side proposed the idea of forming a grand coalition between the LDP and DPJ.

Ozawa stressed in a press conference that Fukuda proposed the idea, arguing that some media reports were totally "groundless" that he proposed it.

Fukuda told the press yesterday, however: "The topic of a coalition wouldn't have come up if both hadn't considered it. It was perfect timing." He did not make it clear which side (he or Ozawa) proposed the idea.

The prime minister's side has explained that the coalition notion was suggested by Ozawa. Their scenario is that Fukuda is giving consideration to Ozawa by not denying the rumor that the prime minister had proposed a grand coalition.

Other reasons why Fukuda cannot say what he proposed are that there are cautious views about a grand coalition in the LDP, and that the New Komeito has opposed it.

Permanent law and refueling legislation

The two leaders' claims are also different on whether to establish a permanent law that would enable Japan to dispatch the Self-Defense Forces (SDF) as needed, as well as on the handling of a new antiterrorism measures bill.

Ozawa emphasized that Fukuda had agreed to dispatch the SDF only

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under a UN Security Council resolution, making a significant policy switch. He also stated that Fukuda had said that he would not necessarily dwell on the passage of the new antiterrorism bill if a grand coalition government is formed.

If Ozawa's explanations are true, it will mean that Fukuda agreed to follow Ozawa's longtime argument to set up a permanent law, as well as to forego the passage of the new antiterrorism bill in exchange for the formation of a grand coalition between the LDP and DPJ.

Fukuda pointed out yesterday, however, that there were many themes up for consideration. He said: "We should discuss well whether a permanent law should allow any SDF dispatches if the UNSC authorizes activities." He then rejected Ozawa's claim that he had said that he would not necessarily persist with the passage of new antiterrorism legislation, saying, "I want the bill to be passed at any cost."

According to several senior ruling coalition members, Fukuda's remark that he would not dwell on enacting the new antiterrorism legislation probably means that he would not dwell on the passage of the new antiterrorism bill if a refueling bill is enacted under a grand coalition framework.

"The talks are over," Fukuda told the press yesterday. It is safe to bet that political turmoil caused by the one-on-one meeting is attributable to the closed-door meeting between Fukuda and Ozawa, which excluded even the secretaries general.

(4) DPJ in turmoil: Executives trying to dissuade Ozawa from stepping down for winning the election; Requirement also lowered for Ozawa

ASAHI (Page 2) (Abridged slightly)
November 6, 2007

Democratic Party of Japan (DPJ or Minshuto) President Ichiro Ozawa announced on Nov. 4 his intention to step down, decrying the largest opposition party as incapable of taking the reins of government and unable to win the next election. Despite that, party executives yesterday tried to dissuade Ozawa from stepping down. The party leadership wants to keep Ozawa in the DPJ. The political life of Ozawa, who is keeping his answer on hold, is on the line.

The car carrying Ozawa left his residence in Tokyo's Setagaya Ward shortly after 10 a.m. yesterday. It arrived at a Tokyo hotel about half an hour later.

At the hotel, Ozawa immediately met with Deputy President Naoto Kan.

Since the successful merger in 2003 between the DPJ and the Liberal Party, Kan has been keeping a close relationship with Ozawa. But on the night of Nov. 4, Kan complained to those around him, "I don't know what Mr. Ozawa is thinking about."

At the hotel, Ozawa reportedly said to Kan: "I'm not fixated on the idea of a grand coalition. Creating a system to win the next election is vital."

In explaining his decision to resign as party head, Ozawa cited party executives' rejection of his proposal for policy talks with the aim of a coalition administration. Kan and others sensed Ozawa's

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softened stance from the shift in his focus from a grand coalition to the next general election.

Earlier, on the morning of Nov. 5, Kan, Secretary General Yukio Hatoyama, and Upper House Caucus Chairman Azuma Koshiishi discussed ways to dissuade Ozawa from stepping down. They concluded that although the idea of forming a coalition was unacceptable, the party should be allowed to conduct talks on specific themes, such as the overseas dispatch of the Self-Defense Forces. Armed with such compromise plans, they carried out the spadework for the executive meeting scheduled to start at 1 p.m.

Before the executives, Hatoyama introduced Ozawa's statement not to adhere to a grand coalition. The compromise plan for policy talks had been ruled out at the stage of spadework on the grounds that they might result in a coalition. After the discussion of more than one hour, the executives reached a unanimous decision to dissuade Ozawa from stepping down on the premise that the party would not form a coalition.

"We have confirmed the policy direction to ask Mr. Ozawa to stay on in order to win the election," Hatoyama told the press after the executive meeting.

The requirement for Ozawa to stay on as DPJ head successively lowered from a coalition to policy talks to a setup to win the election.

It was Kan, Hatoyama -- components in the Ozawa-led troika leadership -- and Koshiishi that worked hard to try to persuade Ozawa to remain in office.

That is not all.

A list of "14 Upper House members who will act together with Ozawa" has been circulating in the political community since the night of Nov. 4. The magic number that can reverse the positions of the ruling and camps in the Upper House is 17. In a meeting of close lawmakers on the night of Nov. 5, Kan said, "Let us remain united so that the Upper House will not split up."

There is fear that if Ozawa breaks up with the DPJ, some others might leave the party, thereby rocking the party's dominance in the Upper House.

Ozawa's criticism of DPJ spreads distrust in party

The following comments by two former DPJ heads mirror Ozawa's severe situation:

Seiji Maehara: "Many DPJ members said 'no' to the idea of a grand coalition. I think (Mr. Ozawa) felt responsible for it, but that doesn't merit resignation."

Katsuya Okada: "We will have to win the election to let the people know that we are aiming at regime change. Of course, damage will be done."

These were responses to questions by the press after a meeting of deputy heads, in which the party leadership, including Hatoyama, announced a plan to dissuade Ozawa from resignation. Their message was that although Ozawa should resign to take responsibility for the

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debacle, the party should let him stay on, for his resignation would damage the party even more.

In the meeting, a dozen or so executives all agreed in the end to dissuade Ozawa from stepping down. But distrust of Ozawa still exists.

One executive commented on the morning of Nov. 5: "He told a press conference that the party he's leading would not be able to win the election. We cannot let such a person to continue serving as party head. It is us who wants to slap a no-confidence vote on him."

Another member said: "A person who criticized the party to that extent in a press conference would not stay on under normal circumstances."

In announcing his intention to step down, Ozawa criticized his own party, by using such words as "a lack of capability" and "the questionable ability to take the reins of government." His arbitrary idea of forming a grand coalition and those words have resulted in widespread distrust of him in the party.

Vice President Hajime Ishii described Ozawa's comment as concern not criticism. A junior lawmaker, on the other hand, took a more critical view, saying: "It would be unreasonable for the person who criticized the party that much to stay in the party."

Various groups in the party held meetings yesterday to discuss responses. Kan's group, Maehara's group, and Public Relations Committee Chairman Yoshihiko Noda's group respectively met in the night, but there have been no visible moves based on replacing the president.

Riberaru no Kai (Group of Liberal) composed of mid-ranking members met in the Diet building yesterday morning. With no candidates capable of replacing Ozawa in the group, many voiced support for Ozawa's continued leadership, one saying, "We won't be able to fight the general election without Mr. Ozawa." Only a few reportedly called for a changeover of the party president.

Since assuming office in April 2006, President Ozawa, highlighting the importance of elections, has shifted the DPJ's top-heavy nature. For the July Upper House election, he hid the road for nationwide campaigning that successfully pushed the ruling coalition into a crushing defeat. The DPJ cannot afford to disregard Ozawa's achievements so easily.

(5) Government, ruling parties to continue talks with DPJ in running Diet; Concerned about negative impact from Ozawa's resignation announcement

YOMIURI (Page 4) (Abridged slightly)
November 6, 2007

The government and ruling parties intend to continue talks with the Democratic Party of Japan (DPJ or Minshuto) in running the divided Diet. For the time being, they will focus on talks on specific policy issues, such as a bill to revise the Law to Support the Rebuilding of the Lives of Disaster Victims. In the wake of the announcement of resignation by DPJ head Ichiro Ozawa, who took a positive view about forming a coalition, some ruling party members are concerned that the DPJ might readopt a hard-line stance.

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New antiterrorism legislation as a test

At a Liberal Democratic Party executive meeting yesterday evening, Prime Minister Yasuo Fukuda said: "I am sorry that my talks with Mr. Ozawa worried you. The talks were held based on our relationship of trust, and I ask for your approval. The talks, however, did not go well in the end." In response, Secretary General Bunmei Ibuki said: "Inter-party talks on political funds have begun, so the party-head talks produced some positive results. The prime minister has created a mood for policy talks."

In fact, since the first Fukuda-Ozawa meeting on Oct. 30, tensions between the ruling parties and the DPJ have been eased and various policy talks have been set in motion.

The Special Committee on Disasters directors of the ruling and opposition camps held talks yesterday on a bill to revise the Law to Support the Rebuilding of the Lives of Disaster Victims.

They are already in accord to expand the current support law limited to costs of purchasing household furniture and demolishing damaged houses to include costs of rebuilding houses as well. They are finalizing some points, such as whether to apply the law to

disasters in the past. "Nobody knows when a disaster occurs. The ruling and opposition parties are in accord to put things together speedily," an LDP executive said yesterday.

The two camps have also started talks to revise the Minimum Wage Law to raise the minimum wage. No specific amount is mentioned in the government plan, which aims to exceed the supplemental security income level. The DPJ plan aims at a national average of 1,000 yen an hour. The ruling and opposition camps are searching for ways to compromise. Talks are also expected to start soon between the two camps on measures against hepatitis.

Being closely associated with the people's livelihood, such matters are easy for the DPJ to hold talks with the ruling bloc. A source connected with the government and ruling parties took this view: "The DPJ is now in a chaotic situation, but that won't change the divided Diet. We want to ensure the dialogue policy course based on the talks with the opposition camp."

At the same time, there are uncertainties in the DPJ's response. "If Ozawa resigns, the DPJ might head for confrontation in reaction," an LDP source said. The ruling camp plans to have the new antiterrorism legislation pass through the House of Representatives by Nov. 9. This might prompt the DPJ to harden its stance toward the legislation.

(6) Advice to Japan by Shintaro Ishihara: Is America a true friend of Japan?

SANKEI (Page 1) (Full)
November 5, 2007

The US forces' Yokota Air Base has a 4,000-meter runway, the longest in Japan, but the runway is hardly used. So, the Japanese side suggested a joint use of this runway during ordinary times. Following this proposal, Japan and the United States continued working-level talks to discuss the proposal. But now that the one-year deadline for both sides to reach a conclusion, as stated in the initial road map, is here, a disappointing situation has

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emerged.

I was the one who suggested joint military-civilian use of the Yokota base's runway to (then) Prime Minister Koizumi. Responding to my request, Prime Minister Koizumi brought up my suggestion to President Bush during their summit meeting in Crawford, Texas. He explained that in order for Japan to maintain its national strength, commercial planes should be allowed to use the Yokota base's runway, except during an emergency, so that more commercial planes can have access to the Tokyo metropolitan area. Both the leaders agreed in principle to discuss Japan's proposal. Based on this basic agreement, working-level talks began between Japan and the US. This runway issue is essentially different from other base issues.

Now that the world has become smaller in terms of time and air space, it is essential to have good air access in order to maintain and develop relations with other countries. Particularly in Japan's metropolitan area, which has become extremely concentrated and integrated, many business chances exist, and now over 40 countries, aware of this, are waiting to roll in and start up. But with Narita Airport remaining as incomplete as ever, their plans cannot be realized at all.

Consequently, since it was essential that Haneda Airport be expanded, six years ago, Shizuka Kamei, when he was Liberal Democratic Party Research Council chairman, planned and forcibly pushed through a budgetary appropriation, and the airport's fourth runway was completed three years after the decision to build it. However, the demand for flights into the metropolitan area has still not yet been met. That is why I requested that I wanted joint use of Yokota Air Base, which, being a supply base, is normally almost empty and is used only during a contingency.

As a principle of cultural engineering, the distribution of material, people included, and information is a critical element in

a society's development. However, the Japanese government, ignorant of such principles, has been late in securing bases for distribution of goods through oceanic routes, allowing Japan to fall far behind Singapore and Pusan in the volume of cargo carried in containers. In that connection, the hardware and software for work at the docks of Singapore, which boasts that it handles more volume than any other port in the world, are made in Japan.

Moreover, as matters stand now, the stock market, which controls the world economy, is rapidly becoming automated, and the presence of people carrying out transactions is disappearing. In such a world, the strategic center of Asia is moving to cities in other countries such as Shanghai. It is strange that Japanese politicians and bureaucrats have no sense of crisis about such issues. There can be no one more derelict in their duties than them.

I have had an interest in the Yokota problem since the time I was a lawmaker in the Diet, but after I became governor, I was finally able to arouse international interest in it. After having obtained the understanding of Prime Minister Koizumi, finally, Yokota became an item for consultations between Japan and the United States. But now Mr. Koizumi has left office and Mr. Bush has only a short time left in his term. The talks for the sake of maintaining Japan's national strength that began as a legitimate civilized perception by the two leaders are ending on an odd note.

According to a source on the Japanese side, although the stances of
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the three ministries - foreign, land and transport, and defense - are as solid as a rock, the responsible officials on the American side do not respect at all the outline agreement reached at the summit, and as is the common abuse of bureaucrats, they work assiduously on the job to guard their interests, and are resisting, citing arguments that make no sense.

Even on the specific proposals for joint use, such as the location of the terminal and the drafting of a plan, the members of the consulting firm on the American side who include a former commander of the US forces in Japan turned down one by one the contents with excuses such as pointing out the fallacies in them. Surprisingly, in the exchanges of the parties concerned, such expressions as Yokota being a legacy of the Pacific War makes one question what they are thinking of.

As an example that has continued until now, Misawa Air Base, which has been highly evaluated in the report as an air base in Japan having a valuable mission, along with Iwakuni and Kadena, has been jointly used by the military and civilian sectors since the Cold War period when Japanese and American jets scrambled against Soviet jets intruding into Japanese air space. Although such a fact exists, their stance of not even letting loose of even one part of Yokota can only cast aspersions on the future of Japan-US relations with the world situation being as it is today. Yet, America is persistently asking for open skies, which would seem to be a contradiction in its stance.

Previously, at the time when there was a detestable incident in Okinawa involving the rape of a schoolgirl by US Marines, Chinese activists illegally landed on the Senkaku Islands of Okinawa. The Japan Coast Guard sent out ships and tensions heightened. At the time, Ambassador Mondale was asked by the American media whether the Japan-US security arrangements would be mobilized at the time of actual armed force being used in the Senkakus. He surprised me by saying "no" to the question. I wrote in this newspaper's column then that if that is America's true feeling, then the bilateral security arrangements are meaningless, and the Japan-US relationship would be lost. Strong arguments of a similar nature rose up in America, too, and Mondale was replaced.

At that time, it was strange that no other politician in Japan issued a similar statement, but even on the Yokota issue, which is critical for maintaining Japan's national power, no politician from either Japan or the US is even thinking about the basis for the agreement between the leaders of the two countries. If America is a true friend, I would like to see the right argument develop for

letting a hardly used base be utilized by Japan. Based on this issue, there is no doubt that we should ask if America is indeed Japan's true friend.

(7) Japan-US alliance cooling down in a different way; Serious rift arising over refueling, N. Korea

SANKEI (Page 3) (Full)
November 6, 2007

Yoshihisa Komori, Washington

The bilateral security relationship between Japan and the United States is now beginning to cool down in a way that is different from what it used to be. US officials are voicing concerns about this

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development. Japan has now broken away from international security operations in the Indian Ocean. Meanwhile, the United States is going to delist North Korea as a terror sponsor while Japan is crying out against the move. Those officials are concerned about a serious rift arising in the two countries' security cooperation and negative repercussions on the bilateral alliance.

When it comes to Japan's calling off of its refueling activities for the United States, Britain, Pakistan, and other countries participating in international antiterror operations in the Indian Ocean, the United States showed its understanding on Japan's political situation. Even so, the United States expressed its deep disappointment.

"We hope Japan will reconsider its decision to stop its important refueling activities," Dana Perino, a White House spokeswoman, stressed when she met the press on Nov. 1. On the US side, there was a bipartisan spread of reactions, with one of them saying Japan's breakaway would have a negative impact not only on the Japan-US alliance but also on the international war on terror.

Jim Auer, who was a senior director for Japan at the US Department of Defense, pointed to a serious structural impact on the alliance. "The Japan-US alliance will never break down right away," Auer said. "But," he went on, "Mr. Ichiro Ozawa says Japan will not participate in any US-led military operations-even in the case of rear support." The former Pentagon official added, "His stance could lead to the denial of the alliance's foundation."

In addition, Michael Green, the predecessor of the incumbent senior director for Asian Affairs at the National Security Council (NSC), also warned: "The Self-Defense Forces' pullout from the Indian Ocean this time will weaken Japan-US security cooperation ties that have been strengthened over the past several years, and it will also cause the rest of Japan's strategic partners to lose their confidence." In particular, Green stressed his concern about Ozawa, who called the US war on terror unlawful.

On the US side, both Auer and Green took part in the security relationship between Japan and the United States for years. The two insisted on the need for Japan and the United States to firmly maintain or strengthen the two allies' security ties. In their eyes, however, the alliance is retreating or weakening. They are now increasingly concerned about it. Moreover, they are paying close attention to a Japanese opposition party leader's stance against the United States. This point can be taken as connoting a sign of cooling down that is different in nature from the two countries' one-time seesaw games in their security ties.

Meanwhile, in the United States, the Department of State is taking the initiative to remove the name of North Korea from the terrorist list as a step to resolve the issue of North Korea's nuclear development. The Department of State is already lobbying the US Congress to get its approval. On this move, a congressional source familiar with Japan-US relations explained: "Japan is absolutely against delisting North Korea as a terror sponsor. Even so, the United States is going to delist North Korea. Then, Japan would say, 'The United States knows its negative impact on the Japan-US alliance, but the United States took action that Japan does not

want.' The Bush administration knows that there would be this sort of backlash from Japan, but it still will not stop delisting North Korea. That move will seriously spoil security cooperation between

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Japan and the United States."

A former high-ranking official of the Department of State noted the same point. This person, who took part in the Bush administration's East Asia policy until recently, said: "The State Department knows Japan is against that. But the State Department is going to delist North Korea. This means in itself to make light of Japan-US relations. The alliance is certainly cooling down along with Japan's strong backlash to that move."

Furthermore, the foregoing congressional source also said: "The US House of Representatives adopted a resolution on comfort women. In Japan, this might have delicately encroached on the foundation of support for a stronger alliance between Japan and the United States. The source implied that the Japan-US security relationship might show an unprecedented change for the worse due to various interactive, intricate factors.

(8) METI, MAFF to enact new legislation to help introduction of corporate power to agriculture: Strengthening producer competitiveness aimed at

YOMIURI (Page 2) (Full)
November 6, 2004

The Ministry of Economy, Trade and Industry (METI) and the Ministry of Agriculture, Forestry and Fisheries (MAFF) yesterday decided to enact new legislation to promote cooperation among the agricultural, commercial and industrial sectors (tentative name) with the aim of assisting producers who are engaging in such efforts as to introduce information technology (IT) and promote an academic-industrial alliance. METI Minister Amari and MAFF Minister Wakabayashi will separately reveal the plan today. Both ministries will aim at introducing a bill in cooperation to the regular Diet session next year.

Their aim is to lead strengthened competitiveness to correction of regional disparities. They will look into possible assistance measures with focus on preferential tax measures. Assistance measures up for consideration include the following projects: (1) IT-assisted production, inventory and sales control in agricultural and dairy operations; (2) development of food products and pharmaceuticals using agricultural, forestry and fisheries wastes assisted by new technologies developed by universities; and (3) non-governmental organization (NPO)-run natural food restaurants using organic vegetables produced locally.

For instance, if farmers start a food-processing business using a new technology in cooperation with an outside company, a special depreciation system would be approved with the aim of reducing taxable income by applying an investment tax break to manufacturing facilities at their plant or writing off in advance the cost of the construction of a plant building.

(9) New agricultural assistance law: METI to prepare for market liberalization by pursuing EPAs; Gap in motives with MAFF

YOMIURI (Page 11) (Full)
November 6, 2007

(Commentary) Behind the drive by the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Economy, Trade and

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Industry (METI) to enact new legislation aimed at assisting the agriculture, forestry and fisheries sectors is the fact that strengthening the competitiveness of those sectors has become a pressing issue in order for Japan to address the issue of promoting economic partnership agreements (EPA), regarding which Japan is

lagging behind other countries.

Boosting efforts to promote EPAs is a government policy also incorporated in basic policy guidelines on economic and fiscal management and structural reforms for the fiscal 2004 national budget. The government is moving forward with EPA talks with the Association of Southeast Asian Nations (ASEAN) and Australia. It also intends to look into the possibility of signing an EPA with the European Union and the US as a future issue.

However, in EPA talks, negotiation partners urge Japan to open its market for agricultural, forestry and fisheries products, in return for its seeking cuts in tariffs on mined and manufactured goods from them. As such, enhancing the competitiveness of its agricultural, forestry and fisheries industries has become an important issue.

METI wants to strengthen the competitiveness of motivated farmers, by fully utilizing know-how Japanese companies have amassed.

However, since producers who can afford to introduce such know-how are mainly large-size farmers, small-size farmers are expected to oppose the proposal as such a measure leading to abandoning them.

MAFF remains negative to the idea of opening agricultural market. Both ministries plan to cooperate with each other in assisting farmers, but they are motivated by different desires.

(10) Yamada Corp. provides 15 politicians and others with 12 million yen, including 5.4 billion yen to Tamura

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November 6, 2007

Yamada Yoko Corp., a trading firm specializing in defense equipment, had disbursed about 12 million yen over the five years until 2006 to pay for tickets for political fund-raising parties held by the political groups of 15 lawmakers and potential candidates for national elections, according to sources familiar with the case. The company provided former House of Councillors member Hideaki Tamura, 75, who used to belong to the Air Self-Defense Force, with a total of 5.4 million yen, far larger than the amounts paid to others, including several ex-directors general and ex-officials of the then Defense Agency. It has been made clear that a firm deeply involved in the government's procurement of defense equipment has made political contributions to politicians responsible for defense affairs.

It had been reported that the company spent a total of 3.6 million yen in six installments on tickets for fund-raising parties held by a political group of Tamura, but it has been unveiled that the company actually paid 5.4 million yen, because the amount of a donation made in February 2003 was found to have been 2 million yen, though 200,000 yen had been booked.

The 2 million yen was a donation for a seminar on politics and economics sponsored by the branch office of Jiyuto (Liberal Party) headed by Tamura at that time. If a political funds group receives

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on the occasion of holding a party more than 200,000 yen from a single corporation, the group is required to report it. But there was no entry of the money in the political funds report submitted by the Jiyuto branch office the following year. With this 2 million yen added to the 3 million yen omitted from its account books for 2004, 2005 and 2006, Tamura-related organizations failed to report 5.4 million yen.

Tamura was taking action with Democratic Party of Japan (DPJ) President Ichiro Ozawa. Yamada Corp.'s funds report declared 500,000 yen in spending as FY2006 annual membership fee to the DPJ Iwate prefecture's 4th branch office in March 2006. Ozawa earlier said that he would return 6 million yen to the company. The 500,000 yen is considered to be part of the 6 million yen.

Compared with the amount for Tamura, contributions to successive ex-Defense Agency directors general were far smaller.

The company made an outlay of only 100,000 yen for Fumio Kyuma, who served two terms as Defense Agency chief, for a party to celebrate the 25th anniversary of his assumption of office" in 2005, the year before he started his second term. To Tsutomu Kawara, who also served two terms as Defense Agency head, the company disbursed 120,000 yen for a meeting of his study group on central politics and economics in 2005. Yamada Corp. also paid 200,000 yen for Tokuichiro Tamazawa, who served as Defense Agency director general from June 1994 through August 1995, with 100,000 yen each for a party in 2004 and another in 2005.

There were two other former Defense Agency officials who received political donations, besides Tamura. Yamada Corp. offered one million yen to Hajime Seki, who served as vice president of the National Defense Medical College, when he ran in the House of Councillors election in 2005 on the ticket of the Liberal Democratic Party but was defeated. Former Lower House member Masayuki Fujishima, who served as Defense Agency's secretariat director general and belonged to Jiyuto and then the DPJ, also received a total of 400,000 yen in two installments in 2004 and 2005, when he was a member of Jiyuto.

The company disbursed 400,000 yen for a forum held in 2006 by the political organization of Lower House member Mikio Shimoji. This spending was recorded in the group's political funds report, based on the Political Funds Control Law.

As for a contribution of less than 200,000 yen, free from the reporting obligation, Yamada Corp. offered 200,000 yen for a seminar held by Lower House member Seiichiro Murakami (LDP) three times, totaling 600,000 yen, 200,000 yen to former Foreign Minister Taro Aso (LDP), 200,000 yen to Upper House member Nobuo Kishi (LDP), and 100,000 yen to Lower House member Yuko Obuchi (LDP).

Queried by the Sankei Shimbun, a member of Murakami's office said: "We have not done anything problematical, but since the contributor is the company in question, we will keep watching how things will develop and might decide to return the provided money."

A representative of Kawara's office said: "We neither asked the company for a contribution nor were wine and dinner by it." Shimoji commented: "I think the contribution we received was pure, free from any ulterior motive."

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(11) Time for Japan to make "strategic decision" on Korean peace-building process

ASAHI (Page 10) (Full)
November 05, 2007

By Lee Jong Won, professor at Rikkyo University (international politics, policy toward the US)

The situation on the Korean Peninsula is now at a major turning point. One year has passed since North Korea conducted a nuclear test in October last year. There is no change in the harsh reality of North Korea having nuclear weapons, but major diplomatic efforts to fundamentally defuse the North Korean nuclear standoff are about to enter the final stage.

The situation on the Korean Peninsula was completely turned around with rapid progress made in negotiations between the United States and North Korea owing to a policy switch by the US. Set off by the North's nuclear test, the Bush administration terminated internal conflict between hardliners and moderates and decided to adopt a policy of dialogue with Pyongyang. As is generally known, an agreement between the US and North Korea has contributed to pushing forward the six-party talks since the meeting in Berlin this January.

A team of experts will start work to disable North Korea's nuclear facilities this week, with the aim of completing the work by the end of this year. Pyongyang has also agreed to declare by year's end its

main nuclear-related projects, such as uranium enrichment and plutonium extraction. It was reported (in the Oct. 3 issue of The Washington Post) that the US had signed with the North, in exchange for such development there, a special memorandum to delist North Korea as a state sponsor of terrorism by the end of the year, though attaching the condition of "progress" in the abduction issue.

There are many ambiguous parts in the agreement to disable North Korea's nuclear facilities, so criticism is erupting against the Bush administration's agreement in rush out of eagerness to demonstrate its diplomatic achievements. The administration is apparently aiming to settle the issue related to North Korea's nuclear programs under its leadership by the end of its term of office. Whether its aim will be achieved or not remains to be seen, but it seems true that the Bush administration is making efforts to reach this goal.

Since there is no precedent in which a nuclear power that conducted a nuclear test abandons its nuclear weapons through diplomatic negotiations, many are skeptical of North Korea's seriousness to live up to its pledges, out of distrust of its nontransparent regime. For internationally-isolated North Korea, possessing nuclear weapons is a means to ensure its military security and has significance domestically in playing up the regime's prestige. But it is politically a high-cost to develop nuclear weapons. In this light, expectations that North Korea might make a "strategic decision" have prompted the governments of such countries concerned as the US, South Korea, and China to promote negotiations with the North.

Countries concerned strengthened economic sanctions against North Korea in reaction to its nuclear test last year, and the framework itself of such sanctions has been maintained. The North has

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developed a sort of resistance to the sanctions that has lasted for many years and has survived somehow while depending on economic relations with China and South Korea. Even so, in order for Pyongyang to reconstruct its shrinking economy under the state of chronic energy shortage, it is absolutely necessary to improve its external relations.

The nuclear test last year cannot be called a complete success. Although it is said that conducting several tests is necessary in order to use nuclear weapons on the battlefield, the North conducted just a single test. Given this, some observers see North Korea's nuclear weapons are still imperfect. This fact might be representing the seriousness of the international political restrictions on North Korea. It might be true to say that it is now most necessary and possible for leader Kim Jong Il to make a "strategic decision" to improve relations with the US, a long-pending challenge, when uncertainty is looming over the future of his regime due to concern about his health.

In an effort to resolve issues with North Korea in a package, the Bush administration envisions constructing a framework of peace on the Korean Peninsula, centered on a declaration of the end of the Korean War and a conclusion of a peace treaty. This concept was specified for the first time in a joint statement issued in the six-party talks in September 2005. The joint declaration in the South-North summit on Oct. 4 this year also specified a plan to promote efforts to announce a summit declaration by three or four parties. Since then, Japan has paid attention to the concept of peace on the Korean Peninsula. The US, South Korea, and China had already started discussion on the peace-building concept around 2005.

It was reported that former Department of State counselor Zelikow, State Secretary Rice's confidant, took the initiative in promoting the work, but the US government's intention can be detected in a report released this April by the Atlantic Council, a nonpartisan foreign-policy think-tank. There are now such multilateral mechanisms as normalization talks between the US and North Korea and between Japan and North Korea, trilateral military talks among the US, South Korea, and North Korea, four-party peace talks among the US, China, South Korea, and North Korea, and six-party talks on a

Northeast Asia security system. Through detailed studies of these mechanisms, it becomes apparent that the US is aiming to build a new regional order upon dismantling the cold-war structure on the Korean Peninsula from its foundation.

There are still a number of factors destabilizing the situation, and a considerable number of twists and turns are also foreseen. But consensus is gradually being built among the countries concerned on a plan to bring about a comprehensive diplomatic settlement through trial and error to the North's nuclear standoff, which has lasted for nearly 20 years. Under such a situation, the situation on the Korean Peninsula might drastically change in the near future.

Keeping in mind a dismantlement of the cold-war structure on the peninsula, it might also be necessary for Japan to hammer out a vision for the Korean Peninsula in order to secure its overall national interest and make a "strategic decision" to turn the vision into action, while making efforts to address such pending issues as the abduction issue. To that end, Japan should step up efforts to reconstruct a long-term cooperative structure with South Korea, given that their political situations are now at a major turning

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point.

SCHIEFFER